

DRUID GROUP PUBLIC LIMITED COMPANY

(Formerly Westdean Limited)

(Registered Number 2866502)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1995



DRUID GROUP PUBLIC LIMITED COMPANY

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995**

DIRECTORS

R C Kimber F.C.A.
S N A Leefe
C McGuire
J D W Pocock
E D B Tebbs
D R T Thompson

SECRETARY

R C Kimber F.C.A.

REGISTERED OFFICE

Abbeyfield House
Gogmore Lane
Chertsey
Surrey KT16 9AP

AUDITORS

Price Waterhouse
Bridge Gate
55-57 High Street
Redhill
Surrey RH1 1RX

BANKERS

Lloyds Bank plc
83 Clarence Street
Kingston Upon Thames
Surrey KT1 1RE

SOLICITORS

Alsop Wilkinson
6 Dowgate Hill
London EC4R 2SS

DRUID GROUP PUBLIC LIMITED COMPANY

CHAIRMAN'S STATEMENT

Following the MBO in December 1993, this is the first full financial year's results delivered by the new team. The excellent performance by the group - increasing turnover to £5.6 million and growing profits before tax to £1.3 million at a margin of 23.46% - is a credit to all the staff in our main operating unit, Druid Systems Limited.

Following the MBO the management team focused the company on its consulting services, restarted active recruitment and invested in business standards and good practice guides. The latter was reflected in the launch last December of Leylines, a methodology for the implementation of enterprise wide projects and Keystones for internal standards. These were endorsed further by the award of ISO 9000 in March 1995.

Throughout 1995 the focus has been the provision of distribution and logistic systems solutions - Europe wide - setting the standard for effective contributions to clients' businesses. We have delivered through consultancy, implementation and training assignments. This focus, quality enhancement across the business and active recruitment, has driven business growth. We serve top 500 companies mainly operating with a pan European and multi site basis.

The company's staff levels have progressed from 45 in December 1993 to 55 in June 1994 and to 98 in June 1995, alongside a growth in active clients from 7 to 22 over the same period. Naturally the company has had to adapt to growth and a new organisational structure was established in March 1995 with operating divisions established to serve clients whose main products serve retail or industrial customers.

Our leadership in the pan European installation of logistics systems and the use of SAP as an applications tool has been developed with seven new live sites in the year. SAP's new R/3 system was first installed in the UK on Druid's site and our first R/3 installation went live in October 1994.

This is a good year for a chairman looking forward. Analysts of the sectors we serve forecast strong growth in the installation of client/server IT solutions over the next two years. We start our fiscal 1995/6 with a strong backlog of orders, an excellent sales pipeline, many good reference sites and substantial progress in our recruitment programme.

Druid is a people business and commitment to its people as colleagues is part of the Druid culture. I wish to express my thanks to all those in the group for their contribution to our development and to our customers who have worked with us over the year and who have committed to work with us going forward.

David Tebbs
Chairman

DRUID GROUP PUBLIC LIMITED COMPANY

DIRECTORS

David Thompson, Managing Director

David founded Druid Systems in 1987, having spent over 20 years in the application of IT within logistics, manufacturing and finance for multi-national companies. He spent 8 years working for General Electric of America, latterly as European Vice President, Logistics for GE-Fanuc. As Managing Director, David has overseen the company's growth from a handful of people to over 100 employees, and still maintains close contact with the client base through his strategic business and IT consultancy activities.

John Pocock, Commercial Director

John joined in 1989 from a technical and business consultancy background having previously spent 7 years working for IBM and Andersen Consulting. He became a Director of the company in 1992 and now has responsibility for Sales and Marketing as well as retaining high-level consultancy involvement primarily on major logistics projects.

Colin McGuire, Operations Director

Colin joined in 1990 as an experienced manufacturing and logistics systems consultant to work on large pan-European projects. He became a Director in 1992 and now heads up the Retail Consultancy Division. In addition to his management activities, he is also active as a senior consultant, specialising chiefly in project management or major integrated system implementations.

Robert Kimber, Financial Director

Rob was appointed Finance Director in June 1994 and has overall responsibility for all aspects of Finance and Administration. Previously he spent five years with Price Waterhouse and five years with recruitment consultancy Computer People Group where he was Finance Director of UK operations.

David Tebbs, Chairman

David was appointed Chairman in 1993, having over 30 years experience in IT and Professional Service companies. Currently he contributes as Chairman and non-executive Director of a number of private and public companies and through strategic consultancy assignments. Previously he was a Director of the BIS Group, where he was Chief Executive of BIS Applied Systems for 12 years and Chairman and CEO of BIS Banking Systems for 8 years.

DRUID GROUP PUBLIC LIMITED COMPANY

DIRECTORS (CONTINUED)

Simon Leefe, Non-Executive Director

Simon is an investment manager with Candover Investments and was appointed a non-executive director in December 1993 at the time of the management buy-out. Prior to his current position, Simon worked for Arthur Andersen where he was involved in both the audit and corporate recovery practices.

DRUID GROUP PUBLIC LIMITED COMPANY

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1995

The directors present their report and the group's audited financial statements for the year ended 30 June 1995.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity continued to be the provision of management consultancy services. The financial statements show a profit for the year after taxation and dividends of £571,000 (1994: £228,000) which has been transferred to reserves. The results for the period are shown in full in the profit and loss account and the related notes. The directors recommend a final preferred ordinary dividend to be paid on 31 October 1995 of 105.92 pence per preferred ordinary share totalling £79,000 (1994: Nil). This will give a total cash dividend for the year of 109.91 pence per preferred ordinary share or £82,433 (1994: Nil). An interim and final dividend of £99,000 each were paid in respect of preference shares. Total dividend payments for the year were therefore £280,000.

The directors expect the level of business to increase during the current period. Turnover in the opening months of the current financial year and the present level of orders indicate that the prospects for growth are encouraging.

DIRECTORS AND THEIR INTERESTS

The directors throughout the year are as listed on page 1.

At the balance sheet date the directors had the following interests in the shares of the company:

	<u>10p A ordinary shares</u>	<u>10p B ordinary shares</u>	<u>10p Preference shares</u>	<u>10p Preferred ordinary shares</u>
D R T Thompson	10,000	-	700,000	-
J D W Pocock	-	1,720	-	-
C Mc Guire	-	1,720	-	-
E D B Tebbs	-	300	17,334	500
R C Kimber	-	750	-	-

With the exception of R C Kimber who purchased shares during the year, the directors' interests at year end were the same as at the start of the year.

No director had any beneficial interest in the shares of any of the subsidiary undertakings of the company at the balance sheet date.

DRUID GROUP PUBLIC LIMITED COMPANY

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1995

DIRECTORS AND THEIR INTERESTS (CONTINUED)

In addition, Candover (Trustees) Limited is the registered holder of 274 preferred ordinary shares of 10p, 19 in which S N A Leefe has a beneficial interest.

On 16 January 1995 the company granted options over 480 B ordinary shares of 10p each to sixteen employees for nil consideration under the provisions of a non Inland Revenue approved share option scheme which had been adopted by the company on 17 October 1994.

These options are exercisable between 1998 and 2002 at £16.00 per B ordinary share. As at 30 June 1995 there were options outstanding over 420 B ordinary shares of 10p each.

TANGIBLE FIXED ASSETS

Details of changes during the period in the tangible fixed assets of the group are shown in note 8 to the financial statements.

CLOSE COMPANY STATUS

The company is a close company within the provisions of Section 414 of the Income and Corporation Taxes Act 1988.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DRUID GROUP PUBLIC LIMITED COMPANY

AUDITORS

A resolution to re-appoint Price Waterhouse as auditors will be put to the forthcoming annual general meeting.

By order of the Board:



R C Kimber

19 September 1995

Price Waterhouse



**AUDITORS' REPORT TO THE SHAREHOLDERS OF
DRUID GROUP PUBLIC LIMITED COMPANY
(Formerly Westdean Limited)**

We have audited the financial statements on pages 9 to 25 which have been prepared under the historical cost convention and the accounting policies set out on pages 13 and 14.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 30 June 1995 and of the profit and cash flows of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

19 September 1995

Chartered Accountants
and Registered Auditors

DRUID GROUP PUBLIC LIMITED COMPANY

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1995**

		35 weeks ended 30 June
	<u>1995</u> £'000	<u>1994</u> £'000
TURNOVER (Note 2)	5,555	2,200
Cost of sales	<u>(2,810)</u>	<u>(1,246)</u>
GROSS PROFIT	2,745	954
Administrative expenses	<u>(1,407)</u>	<u>(627)</u>
OPERATING PROFIT (Note 3)	1,338	327
Interest receivable (Note 5)	7	1
Interest payable (Note 5)	<u>(42)</u>	<u>(41)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,303	287
Tax on profit on ordinary activities (Note 6)	<u>(452)</u>	<u>(59)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION (Note 14)	851	228
Dividends (Note 7)	<u>(280)</u>	<u>-</u>
RETAINED PROFIT FOR THE YEAR (Note 14)	<u>571</u>	<u>228</u>

Turnover and profit on ordinary activities before taxation for the period relate wholly to continuing activities.

There are no other recognised gains or losses arising during the period.

The results are presented on an unmodified historical cost basis.

A reconciliation of movements in shareholders' funds is given in note 14.

The notes on pages 13 to 25 form part of these financial statements.

DRUID GROUP PUBLIC LIMITED COMPANY

**GROUP BALANCE SHEET
AS AT 30 JUNE 1995**

	<u>1995</u> £'000	<u>1994</u> £'000
FIXED ASSETS		
Tangible assets (Note 8)	<u>766</u>	<u>697</u>
	766	697
CURRENT ASSETS		
Debtors (Note 10)	2,145	941
Cash at bank	<u>459</u>	<u>326</u>
	2,604	1,267
CREDITORS: Amounts falling due within one year (Note 11)	<u>(1,653)</u>	<u>(591)</u>
NET CURRENT ASSETS	<u>951</u>	<u>676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	1,717	1,373
CREDITORS: Amounts falling due after one year (Note 12)	<u>(182)</u>	<u>(424)</u>
NET ASSETS	1,535	949
	=====	=====
CAPITAL AND RESERVES		
Called up share capital (Note 13)	340	340
Share premium account (Note 15)	3,015	3,000
Goodwill reserve (Note 15)	(2,619)	(2,619)
Profit and loss account (Note 15)	<u>799</u>	<u>228</u>
SHAREHOLDERS' FUNDS	1,535	949
	=====	=====
Equity	(1,559)	(2,156)
Non-equity	<u>3,094</u>	<u>3,105</u>
SHAREHOLDERS' FUNDS	1,535	949
	=====	=====

APPROVED BY THE BOARD ON

19 September 1995


R C Kimber
Director

The notes on pages 13 to 25 form part of these financial statements.

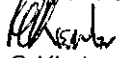
DRUID GROUP PUBLIC LIMITED COMPANY

BALANCE SHEET **AS AT 30 JUNE 1995**

	<u>1995</u> £'000	<u>1994</u> £'000
FIXED ASSETS		
Investments (Note 9)	<u>2,727</u>	<u>2,727</u>
CURRENT ASSETS		
Debtors (Note 10)	1,232	903
Cash at bank	<u>-</u>	<u>4</u>
	1,232	907
CREDITORS: Amounts falling due within one year (Note 11)	<u>(467)</u>	<u>(76)</u>
NET CURRENT ASSETS	<u>765</u>	<u>831</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	3,492	3,558
CREDITORS: Amounts falling due after one year (Note 12)	<u>-</u>	<u>(115)</u>
NET ASSETS	3,492	3,443
CAPITAL AND RESERVES		
Called up share capital (Note 13)	340	340
Share premium account (Note 15)	3,015	3,000
Profit and loss account (Note 15)	<u>137</u>	<u>103</u>
SHAREHOLDERS' FUNDS	3,492	3,443
Equity	398	338
Non-equity	<u>3,094</u>	<u>3,105</u>
SHAREHOLDERS' FUNDS	3,492	3,443

APPROVED BY THE BOARD ON

19 September 1995


R C Kimber
Director

The notes on pages 13 to 25 form part of these financial statements.

DRUID GROUP PUBLIC LIMITED COMPANY

**GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 1995**

	1995		35 weeks ended 30 June 1994	
	£'000	£'000	£'000	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 19(1))		955		371
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	7		1	
Interest paid	-		(3)	
Interest on hire purchase assets	(42)		(38)	
Dividends paid	<u>(104)</u>		<u>-</u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE		(139)		(40)
TAXATION				
Corporation tax paid (including advance corporation tax)		(84)		(175)
INVESTING ACTIVITIES				
Purchase of tangible fixed assets	(352)		(62)	
Purchase of companies	-		(2,282)	
Sale of tangible fixed assets	<u>35</u>		<u>16</u>	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(317)</u>		<u>(2,328)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		415		(2,172)
FINANCING				
Repayments on unsecured loan notes	(53)		-	
Proceeds of share issue (net)	15		2,639	
Capital repayments on hire purchase assets	<u>(244)</u>		<u>(141)</u>	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		<u>(282)</u>		<u>2,498</u>
INCREASE IN CASH AND CASH EQUIVALENTS (Note 19(2))		133		326

The notes on pages 13 to 25 form part of these financial statements.

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

1 ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below.

(1) Accounting convention

The group prepares its accounts on the basis of the historical cost convention and in accordance with the Companies Act 1985 as amended by the Companies Act 1989 and with applicable accounting standards.

(2) Basis of consolidation

The financial statements consolidate the company's subsidiaries and include their results from the date of acquisition. Goodwill represents the difference between the costs of acquisition and the fair value of the net assets acquired. Goodwill is written off to a separate goodwill reserve in the year of acquisition.

(3) Depreciation of tangible fixed assets

Tangible fixed assets are shown at original historic cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Computer and office equipment	3 - 4 years
Motor vehicles	4 years
Leasehold improvements	10 years

(4) Leased assets

Assets acquired under hire purchase agreements are capitalised as fixed assets and depreciated in accordance with the normal accounting policy of the group. The liabilities relating to future capital repayments are shown in the balance sheet and the interest element of the repayments has been charged to the profit and loss account.

Rentals paid under operating leases and contract hire agreements are charged to the profit and loss account as they are incurred.

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(5) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Any gains or losses arising from changes in exchange rates have been recognised in the profit and loss account. Monetary amounts denominated in a foreign currency at the balance sheet date are translated at the rate ruling on that date.

(6) Deferred taxation

Deferred taxation is provided only where there is a reasonable probability that a liability or asset will arise in the foreseeable future.

(8) Pension costs

Pension costs are charged to the profit and loss account in the period in which they are incurred.

2 TURNOVER

Turnover represents the invoiced value, excluding VAT and recharged expenses, of goods and services supplied by the group.

The group is involved in the provision of consultancy services for the installation of computer software. All turnover and profits arise from orders placed in the United Kingdom.

3 OPERATING PROFIT

	35 weeks ended 30 June	
	<u>1995</u>	<u>1994</u>
	£'000	£'000
Operating profit is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets		
- owned assets		
- assets held under hire purchase contracts	166	29
Amounts written off capitalised development costs (note i)	184	121
Auditors' remuneration	-	8
Profit on sale of tangible fixed assets	9	9
Exchange (profits)/losses	(12)	(3)
	(1)	10

- (i) Development costs capitalised in a subsidiary in previous years have been written off to the profit and loss account in the prior period.

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

4 DIRECTORS AND EMPLOYEE COSTS

The average number of employees (including executive directors) in the group during the period was 76 (1994: 52).

	35 weeks ended 30 June	
Employee costs during the year amounted to:	<u>1995</u> £'000	<u>1994</u> £'000
Wages and salaries	2,386	712
Social security costs	251	87
Other pension costs	<u>151</u>	<u>55</u>
	2,788	854
Included in the above in respect of directors' remuneration	<u> </u>	<u> </u>
Emoluments	347	119
Pension costs	<u>43</u>	<u>18</u>
Emoluments of the highest paid director	96	42
Emoluments of the Chairman	<u>55</u>	<u>17</u>

Directors' emoluments, excluding pension scheme contributions, fell into the following ranges:

	<u>Number</u>	<u>Number</u>
£0 - £5,000	-	1
£5,001 - £10,000	-	1
£10,001 - £15,000	1	-
£15,001 - £20,000	-	1
£25,001 - £30,000	-	2
£40,001 - £45,000	-	1
£50,001 - £55,000	1	-
£55,001 - £60,000	1	-
£60,001 - £65,000	1	-
£65,001 - £70,000	1	-
£95,001 - £100,000	1	-

DRUID GROUP PUBLIC LIMITED COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)**

5 INTEREST

	35 weeks ended 30 June	
	<u>1995</u>	<u>1994</u>
	£'000	£'000
Interest receivable		
Bank interest	7	1
	<u> </u>	<u> </u>
Interest payable		
Bank interest		
Hire purchase interest	-	3
	<u>42</u>	<u>38</u>
	42	41
	<u> </u>	<u> </u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	35 weeks ended 30 June	
	<u>1995</u>	<u>1994</u>
	£'000	£'000
The taxation charge, based on the profit for the year, comprises:		
Corporation tax at 33% (1994: 26.28%)	450	59
Prior year adjustment	<u>2</u>	<u>-</u>
	452	59
	<u> </u>	<u> </u>

7 DIVIDENDS

	<u>1995</u>	<u>1994</u>
	£'000	£'000
On A and B ordinary shares	-	-
On preferred ordinary shares:		
Interim dividend of 3.99 pence per share	3	-
Final dividend of 105.92 pence per share	79	-
On preference shares:		
Interim dividend of 3.0 pence per share	99	-
Final dividend of 3.0 pence per share	<u>99</u>	<u>-</u>
	280	-
	<u> </u>	<u> </u>

DRUID GROUP PUBLIC LIMITED COMPANY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR 30 JUNE 1995 (CONTINUED)**

8 TANGIBLE FIXED ASSETS

<u>Group</u>	<u>Short</u>	<u>Office</u>	<u>Motor</u>	<u>Total</u>
	<u>leasehold premises</u>	<u>furniture and</u>	<u>vehicles</u>	
	£'000	equipment	£'000	£'000
Cost				
At 1 July 1994	135	588	433	1,156
Additions at cost	13	256	173	442
Disposals	—	(163)	(108)	(271)
At 30 June 1995	148	681	498	1,327
Accumulated depreciation				
At 1 July 1994	23	289	147	459
Charge for the period	14	202	134	350
Disposals	—	(162)	(86)	(248)
At 30 June 1995	37	329	195	561
Net book amount				
At 30 June 1995	<u>111</u>	<u>352</u>	<u>303</u>	<u>766</u>
At 30 June 1994	<u>112</u>	<u>299</u>	<u>286</u>	<u>697</u>

Assets under hire purchase contract included in the above figures amount to a cost of £596,000 (1994: £915,000) and a net book amount of £317,000 (1994: £441,000)

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 30 JUNE 1995 (CONTINUED)

9 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiary undertakings are stated at cost.

<u>Company</u> Cost and net book amount	<u>Shares in subsidiary undertakings</u>	
	<u>1995</u> £'000	<u>1994</u> £'000
At 1 July	2,727	-
Additions for the year	-	<u>2,727</u>
At 30 June	<u>2,727</u>	<u>2,727</u>

The company's subsidiaries, at 30 June 1995, were as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Shares class held</u>	<u>% Held</u>	<u>Principal activity</u>
Druid Systems Limited	England	Ordinary	100%	Computer consultancy services
Deltaworth Limited (Note i)	England	Ordinary	100%	Trustee company

- (i) Deltaworth Limited holds 640 B ordinary shares in Druid Group Public Limited Company which have been allotted and issued as nil paid. It also holds 40 B ordinary shares in Druid Group Public Limited Company which have been issued at a cost of £16.00 per share.

In the opinion of the directors the value of investments in subsidiary undertakings is not less than the aggregate amount at which they are carried in the parent company balance sheet.

10 DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>1995</u> £'000	<u>1994</u> £'000	<u>1995</u> £'000	<u>1994</u> £'000
Trade debtors	1,874	731	-	-
Amounts owed by group undertakings	-	-	1,163	903
Prepayments and accrued income	130	85	-	-
ACT recoverable	<u>141</u>	<u>125</u>	<u>69</u>	-
	<u>2,145</u>	<u>941</u>	<u>1,232</u>	<u>903</u>

Within the £1,163,000 owed by group undertakings is £1,153,000 owed by Druid Systems Limited due in excess of one year.

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

11	CREDITORS: Amounts falling due within one year	Group		Company	
		<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
		£'000	£'000	£'000	£'000
	Trade creditors	380	90	-	-
	Other taxes and social security	192	68	-	-
	Other creditors	4	-	-	-
	Accruals and deferred income	187	134	-	-
	Corporation tax	462	77	190	37
	Hire purchase and lease liabilities	151	183	-	-
	Unsecured loan notes	101	39	101	39
	Dividends	<u>176</u>	<u>-</u>	<u>176</u>	<u>-</u>
		1,653	591	467	76
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

The loan notes are repayable over the period in which advance corporation tax paid by the company is recovered from corporation tax payable.

12	CREDITORS : Amounts falling due after one year	Group		Company	
		<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
		£'000	£'000	£'000	£'000
	Accrued lease commitment	95	95	-	-
	Unsecured loan notes	-	115	-	115
	Hire purchase and lease liabilities	<u>87</u>	<u>214</u>	<u>-</u>	<u>-</u>
		182	424	-	115
		<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

The hire purchase and lease liabilities are wholly repayable within five years.

13 CALLED UP SHARE CAPITAL

The authorised share capital of the company comprises:

	<u>1995</u>	<u>1994</u>
	£	£
10,000 A ordinary shares of 10 pence each	1,000	1,000
16,910 B ordinary shares of 10 pence each	1,691	1,691
75,000 preferred ordinary shares of 10 pence each	7,500	7,500
3,300,000 cumulative redeemable 6% preference shares of 10 pence each	<u>330,000</u>	<u>330,000</u>
	340,191	340,191
	<u><u> </u></u>	<u><u> </u></u>

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

13 CALLED UP SHARE CAPITAL (CONTINUED)

	1995	1994
	£	£
The allotted and fully paid up share capital of the company comprises:		
10,000 A ordinary shares of 10 pence each	1,000	1,000
15,000 B ordinary shares of 10 pence each	1,500	1,425
75,000 preferred ordinary shares of 10 pence each	7,500	7,500
3,300,000 cumulative redeemable 6% preference shares of 10 pence each	<u>330,000</u>	<u>330,000</u>
	340,000	339,925

Ordinary shares

The rights of A and B ordinary shares do not vary with respect to voting, dividends and rights on the winding up of the company. The A and B ordinary shares do have different rights on the completion of an agreement for the purchase of the share capital of the company or the admission of any part of the share capital to the Official List of the London Stock Exchange as set out in the New Articles of Association.

Preference shares

The preference shares carry the right to a fixed cumulative preference dividend of 6% (net) as from 1 July 1994 payable by two instalments on 1 July and 1 January each year commencing 1 January 1995. The shares are redeemable by the company at any time provided at least 30 days notice in writing is given to the shareholder. The shares are redeemable at their issue price of £1 per share together with any arrears of dividend payable thereon. The articles also provide that as from 1 July 1998 and every year thereafter on that date a proportion of the issued shares will be redeemed such that by 1 July 2002 all preference shares will have been redeemed.

The holders of the shares have no voting rights unless any preference dividend, or part thereof, is more than six months in arrears. On winding up the shares carry a priority over all other classes of shares to receive repayment of capital plus any arrears of dividend.

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

13 CALLED UP SHARE CAPITAL (CONTINUED)

Preferred ordinary shares

The preferred ordinary shares carry the right to a cumulative participating preferred ordinary dividend from 1 July 1994, after the payment of all preference dividends, in priority to the holders of any other class of shares. The participating dividend payable on each preferred ordinary share is payable as an interim dividend of 3% (net) of the issue price of the share on 1 January each year, commencing 1 January 1995, and as a final dividend 14 days after the annual general meeting of the company.

The shares carry a right of conversion to fully paid ordinary shares in accordance with specified events as set out in the articles. Those shares which are not converted within the prescribed time may be redeemed by the company for an aggregate sum of 1p or be converted to the same number of deferred shares. There are no deferred shares in issue at the present time.

The holders of the shares have the right to vote and other specific rights as detailed by the articles. On winding up the shares carry a priority, after the preference shareholders, to a return of capital and any arrears of dividend.

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		Company	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Profit for the year	851	228	314	103
Dividends paid	(280)	-	(280)	-
Retained profit for the period	571	228	34	103
Share capital issued at par	-	340	-	340
Share premium reserve (Note 15)	15	3,000	15	3,000
Goodwill written off	-	(2,619)	-	-
Net addition to shareholders' funds	586	949	49	3,443
Opening shareholders' funds	949	-	3,443	-
Closing shareholders' funds	1,535	949	3,492	3,443

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

15 RESERVES

	Revenue <u>Reserves</u> £'000	Share Premium <u>Reserve</u> £'000	Goodwill <u>Reserve</u> £'000
Group			
At 1 July 1994	228	3,000	(2,619)
Retained profit for the period	571	-	-
Premium on shares issued	-	15	-
At 30 June 1995	799	3,015	(2,619)
	<u> </u>	<u> </u>	<u> </u>
Company			
At 1 July 1994	103	3,000	-
Retained profit for the period	34	-	-
Premium on shares issued	-	15	-
At 30 June 1995	137	3,015	-
	<u> </u>	<u> </u>	<u> </u>

In accordance with the exemptions allowed under Section 230 of the Companies Act 1985 the company has not presented its own profit and loss account. The profit after tax for the period attributable to Druid Group Public Limited Company dealt with in the accounts of the company is £314,000.

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

16 DEFERRED TAX

In accordance with the company's accounting policy no deferred tax has been provided for at the balance sheet date. The potential, but unprovided, deferred tax asset in respect of accelerated capital allowances amounts to £38,000 (1994: £11,600) in the group.

17 PENSION SCHEME

The group operates a number of defined contribution pension schemes for all its employees. The costs of these schemes are charged to the profit and loss account as incurred.

18 CONTINGENT LIABILITIES AND CAPITAL AND OTHER COMMITMENTS

By a debenture dated 26 January 1989 a subsidiary, Druid Systems Limited, granted a fixed and floating charge over all of its assets.

At 30 June 1995 the company had no capital commitments and no contingent liabilities (1994: Nil).

19 NOTES TO CASHFLOW STATEMENT

(1) Reconciliation of operating profit to net cash inflow from operating activities

		35 weeks ended 30 June
	<u>1995</u> £'000	<u>1994</u> £'000
Operating profit	1,338	327
Depreciation	350	150
Amortisation of intangible assets	-	8
Release of provisions	(5)	-
(Profit)/loss on sale of fixed assets	(12)	5
Increase in debtors	(1,188)	(172)
Increase in creditors	<u>472</u>	<u>53</u>
	955	371

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

19 NOTES TO CASHFLOW STATEMENT (CONTINUED)

(2) Analysis of changes in cash and cash equivalents during the year

		35 weeks ended 30 June
	<u>1995</u> £'000	<u>1994</u> £'000
Balance at 1 July 1994	326	-
Net cash inflow	<u>133</u>	<u>326</u>
Balance at 30 June 1995	<u>459</u>	<u>326</u>

(3) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	<u>1995</u> £'000	<u>1994</u> £'000	Change in year £'000
Cash at bank and in hand	<u>459</u>	<u>326</u>	<u>133</u>

(4) Analysis of changes in financing during the year

	<u>Share capital</u> £'000	<u>Share premium</u> £'000	
Issue of shares at a premium			
- share premium on 1,000 B ordinary shares at 10p each	-	8	
- share premium on 750 B ordinary shares of 10p each	-	6	
- share premium on 270 B ordinary shares of 10p each	<u>-</u>	<u>1</u>	
Proceeds from issue of shares	-	15	
	<u>-</u>	<u>15</u>	
			Hire purchase liability £'000
Financing at 1 July 1994			397
Additional borrowings			90
Capital repayments			(244)
Release of provisions			<u>(5)</u>
Financing at 30 June 1995			<u>238</u>

DRUID GROUP PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)

20 COMMITMENTS UNDER OPERATING LEASES

At 30 June there were the following annual commitments under non-cancellable operating property leases:

	<u>1995</u> £'000	<u>1994</u> £'000
Operating leases which expire after 5 years	203	203
	<u> </u>	<u> </u>

Total charges in the year under operating leases were £203,000 and relate to property leases.

21 COMMITMENTS UNDER CONTRACT HIRE AGREEMENTS

At 30 June there were the following annual commitments under non-cancellable contract hire agreements:

	<u>1995</u> £'000	<u>1994</u> £'000
Contract hire repayments - due within 1 year	116	-
- due within 1-5 years	182	-

Total charges in the year arising from contract hire agreements were £20,000 (1994: Nil) and relate to car hire.